



WISCONSIN

DEPARTMENT OF WORKFORCE DEVELOPMENT  
Division of Economic Support  
Bureau of Work Support Programs

TO: **Economic Support Supervisors  
Economic Support Lead Workers  
Training Staff  
Child Care Coordinators  
W-2 Agencies**

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**BWSP OPERATIONS MEMO**

No.: 00-57

File: 2730  
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Date: 08/14/2000

Non W-2 ☒ W-2 ☐ CC ☐

PRIORITY: Medium

SUBJECT: **MA -- EXCLUSION OF COMMUNITY SPOUSE'S IRA & OTHER  
RETIREMENT FUNDS IN SPOUSAL IMPOVERISHMENT**

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**CROSS REFERENCE:** Medical Assistance Handbook Appendix 11.6.21

**EFFECTIVE DATE:** December 23, 1999

**PURPOSE**

This memo alerts staff about a change in Medicaid (MA) policy required by recent court decisions.

**BACKGROUND**

On December 23, 1999, the Wisconsin Court of Appeals reversed a Dane County Circuit Court decision. The latter had affirmed an administrative hearing decision that supported the county's action to count the IRA funds owned by an ineligible community spouse in a spousal impoverishment MA application.

DHFS filed a petition for review with the Wisconsin Supreme Court shortly after receiving the adverse Appeals Court decision. The Supreme Court has now denied that petition and, as a result, we must implement the Appeals Court decision. That means that we can no longer count any retirement funds owned by an ineligible community spouse in a spousal impoverishment case.

**NEW POLICY**

Disregard IRA's and other retirement funds owned by any ineligible spouse as an available asset for any type of MA eligibility determination.

There is no longer be any exception to this disregard for spousal impoverishment cases.

**IMPLEMENTATION**

Effective immediately, apply this revised policy in all new MA applications and eligibility reviews.

Apply this new policy retroactive to December 23, 1999 for any spousal impoverishment case that requests a redetermination and was denied because the retirement funds of the community spouse were used in the eligibility determination of the institutionalized spouse.

**CONTACT**

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Note: Email contacts are preferred. Thank you.